

Public Housing Homeownership (Section 32)

Sale of public housing units to low-income families.

Nature of Program: This new public housing homeownership program was established by Section 32 of the U.S. Housing Act of 1937, which was added by the Quality Housing and Work Responsibility Act of 1998. The new public housing homeownership program (the Section 32 program) replaces the public housing homeownership program that was authorized by Section 5(h) of the U.S. Housing Act of 1937. The new statutory program was patterned largely after HUD's regulations that implemented the Section 5(h) program. The program offers public housing agencies (PHAs) a flexible way to sell public housing units to low-income families, with preference given to current residents of the unit(s) being sold. The program helps low-income families purchase homes through an arrangement that benefits both the buyer and the public housing agency that sells the unit. It gives the buyer access to an affordable homeownership opportunity and to the many tangible and intangible advantages it brings, while permitting PHAs to sell individual units and developments that may, due to their location or configuration, be more suitable for homeownership than for rental housing. PHAs can retain and reuse the proceeds of the sale of public housing units to meet other low-income housing needs.

Applicant Eligibility: Public housing agencies.

Legal Authority: Section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). Regulations are at 24 CFR part 906.

Administering Office: Assistant Secretary for Public and Indian Housing,
U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering office. Office of Public Housing Investments.
On the Web: www.hud.gov/offices/pih/centers/sac/homeownership/index.cfm

Current Status: Active. Section 32 public housing homeownership is now current and an active public housing homeownership program. Section 5(h) remains active for previously approved public housing home purchases.